

EXHIBIT 6

MEMORANDUM

W. R. Starkey

DATE

August 23, 1976

FROM

A. T. Curley *ATC*

SUBJECT

Waste Chemical Disposal

REMARKS

cc: C. A. Aldag
W. Hobokan
C. E. Kwartler
J. Minott
J. Sigan
H. E. Sullivan

Following is an attempt to update all concerned on the status of the disposal of our waste chemicals. Since Kin-Buc (Gaess) was closed first to our spent acid and finally to all chemical wastes, we have been struggling to dispose of our wastes in a proper manner. After seeing our CDN unit shut down while we sought a home for our spent acid, we began using A.B.M. Disposal for our acid, while Gaess continued to take our other water wastes (not for the landfill).

Over the past few weeks I have had contacts with (1) A.B.M.'s Tieson and Barnhurst (2) Gaess' Santoro and (3) Gaess' ex-salesman John Leuzarder who is now part of a group who have formed Envirotech, a broker for waste disposal. Taking these singly, then:

- (1) A.B.M. has done little to bolster our confidence. Although their price is low, \$1,100 per load, I feel very uncomfortable having to depend on them. Both Santoro and Leuzarder have discovered that we are using A.B.M. and (as would be expected under the circumstances since both are actively seeking our acid business) have stated that A.B.M. is bad news and strongly questioned the legality of their methods. Santoro claims A.B.M. is storing the acid in a 30,000 gallon tank and looking all over the place (including Gaess) to dispose of the acid. What we have observed at our Plant and noted in our contacts with A.B.M. is conflicting. They have been dependable and some of their rigs are in excellent condition. However, some of the rigs are in poor shape. Their drivers seem poorly trained for handling truck loads of acid and initially had little feel for the safe handling of this material including little or no equipment. Efforts to get information on the ultimate destination of these loads have been evaded by Barnhouse and Tieson. We have not been able to get an invitation to inspect their facility.
- (2) Gaess' Santoro is strongly after our spent acid business. They recently took a test load. He visited the plant this past Thursday with the results of that test. He started off by (and this has been his tack on other occasions) hinting that the EPA, and presumably the NJDEP, are ready to seek out the illegal disposers they know are active in the absence of Kin-Buc and the generators who are using these "lizards" as he called them. He said he knows some big companies with their necks stuck out far and that they are going to get it. He wants us to avoid that pitfall.

Being the good salesman that he is, he then went into his pitch. He said the test load went well and that they have a secret process which will dispose of the acid in a completely legal manner with no environmental problems. The "they" in this case may be Modern Transportation in Kearny with whom they have been working since the close of Kin-Buc. Incidentally, I asked about the future

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of Kin-Buc since the newspaper reports of late seem to indicate very little chance for the new Kin-Buc II ever getting NJ-DEP approval. Santoro stated his doubts also and said for this reason Gaess was shifting in other directions, i.e. working with outfits like Modern and Chemical Recovery who have facilities for neutralization, barging, incinerating and sewerage materials.

Santoro indicated the cost would still be in the \$2,000 per load range. He further said they would need a commitment from Ashland since they need a capital investment of \$50,000 to get into operation on a plant scale. Presumably he is looking for a long range contract of some sort. I told him we were interested in settling our spent acid disposal problem but that the price was high. I also said we certainly would want to check out his system before any commitment was made. He countered by emphasizing the secret process and the possibility of our signing a secrecy agreement. He awaits an answer from us.

- (3) I have been working with Leuzarder since he first came to the plant as a Gaess salesman a year ago. He has been very good to us, given us excellent service, has dealt completely above board and appears to be sincere in his efforts to handle wastes properly. Before Gaess let him go, he had expressed his discontent with the way Gaess was dumping thousands of gallons of all types of waste on the landfill with no attempt to "manage, mate, treat or swap wastes". This new group also includes Bob Landmesser who is also an ex-Gaess employee. Bob is also a very pleasant fellow. The point I am attempting to make is that I certainly know a lot more about them than I do about Tieson, Barnhurst or even Santoro.

Leuzarder and Landmesser are very anxious and enthusiastic about getting their new group off the ground. They say they have been received well by industry and have signed quite a few contracts with waste generating companies. They act as brokers, like Gaess, working with Modern, Chemical Recovery and others. They have quoted us prices and in general their prices are very slightly higher than Gaess. They want our acid account badly. They originally quoted \$1,450 but came down to \$1,275. We used them all this week and as of now I plan to stick with them. We are also switching some of our other wastes to them. Our spent acid is going to DeReal (This spelling could be wrong) in Philadelphia. According to Leuzarder, Ciba-Geigy is also using them for spent acid disposal. Here the acid is neutralized (in vessels) and the salt cake landfilled.

I called John today and asked if I could visit the facility and confirm the fact they are handling our acid in a proper manner. He hesitated a minute and then said the process was secret and that the outfit feared another disposal firm would steal their thunder. I got the impression that Leuzarder himself had not seen the process. Leuzarder called me back an hour or so later and said he could arrange a visit in a "couple weeks". This would give them time to "clean up a bit". He also mentioned the signing of a secrecy agreement.

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Tieson of A.B.M. called this week to see why we were not taking any acid. Dick DeWalk told him that we had another source of disposal. When he asked whether the price was better, Dick told him the major reason was that we had more confidence in the other outfit. Apparently Tieson will be up to see us again.

My feelings at this point lean towards staying with Leuzarder conditional with inspecting his outlet to convince ourselves of its legality. Meanwhile, we will have to hold Gaess at bay for awhile as this may turn out to be our only legal outlet. We can also see what A.B.M. will come back with now that they know we mean business on the legality issue. We certainly do not want to close any doors without good reason at this time.

ATC:aa